



STATE RETIREMENT
and PENSION SYSTEM
of MARYLAND

Coming Soon
Special Edition
on
Pension
Enhancement

Your Board of Trustees: Representing the interests of members and retirees

WHILE YOU ENJOY RETIREMENT OR AS YOU WORK TOWARDS RETIREMENT, as a participant in the Maryland State Retirement and Pension System, you can be assured that the Board of Trustees of the State Retirement and Pension System is diligently making sure your current and future benefits are secure.

Your Board of Trustees plays an important role in the stewardship of your retirement system. Some of the Board's responsibilities include:

- Setting policies regarding the management of the System's multi-billion dollar investment portfolio,
- Overseeing the administration of the State Retirement Agency, and
- Approving disability retirement cases recommended by the Medical Board or appealed by claimants to the Board.

The fourteen members of the Board of Trustees are either elected by the members of particular constituencies that participate in the system, appointed by the Governor, or serve on the Board because of their positions in Maryland State government (Comptroller, Treasurer, and Budget Secretary).

Profiles of the trustees are available

See Your Board of Trustees, page 4

Employees' and Teachers' Pension Plan Enhancement

The 2006 Maryland General Assembly enacted legislation to enhance the pension benefit of eligible employees and teachers.

CHAPTER 110, ACTS 2006: STATE EMPLOYEES' AND TEACHERS' PENSION ENHANCEMENT BENEFIT ACT OF 2006

Signed into law by Governor Robert L. Ehrlich, Jr. on April 25, 2006

Effective Date: July 1, 2006

Synopsis: Creates the Alternate Contributory Pension Selection, providing a retroactive enhanced benefit multiplier for service credit back to July 1, 1998 for eligible members. Members who retired prior to July 1, 2006 are not impacted by this legislation while members retiring July 1, 2006 receive the enhancement.

ELIGIBLE MEMBERS

Active members as of June 30, 2006 of the Employees' and Teachers' Pension System or the bifurcated plan of the Employees' and Teachers' Retirement System who meet one of the following criteria:

1. State employees (automatic participation),
2. Teacher members of participating Boards of Education, Libraries, and Community Colleges (automatic participation), and
3. Participating Governmental Unit employees **only if the employer elects to join the Alternate Contributory Pension Selection** between July 1, 2006 and June 30, 2007.

Excluded from the Alternate Contributory Pension Selection are: (1) employees of withdrawn municipalities and (2) anyone who transferred from the Employees' or Teachers' Retirement System into the pension system after April 1, 1998.

BENEFIT ENHANCEMENT

- Formula remains 1.2% (or former non-contributory formula of .8%/1.5%, if greater) of average final compensation times service credit to June 30, 1998
- 1.8% (replaces the former 1.4%) of average final compensation times service credit from July 1, 1998 forward

EMPLOYEE CONTRIBUTION RATE

- 3% of the member's earnable compensation from July 1, 2006 to June 30, 2007;
- 4% of the member's earnable compensation from July 1, 2007 to June 30, 2008; and
- 5% of the member's earnable compensation from July 1, 2008 forward.

When an accident or illness strikes, disability benefits provide valuable protection

DISABILITY RETIREMENT BENEFITS PROVIDE VALUABLE PROTECTION FOR MEMBERS

who suffer a serious injury or illness that permanently incapacitates them from performing their job duties.

TYPES OF DISABILITY RETIREMENT

The State Retirement and Pension System provides benefits for two types of disability retirement: ordinary and accidental.

- **Ordinary disability** covers any permanently disabling physical or mental condition.
- **Accidental disability** covers injuries that a member sustains in an accident that occurs on the job while he or she is performing assigned duties.

For either type of disability retirement, the medical condition must permanently prevent the member from performing the duties of his or her position.

SPECIAL RULES FOR LAW ENFORCEMENT OFFICERS AND STATE POLICE

To be eligible for accidental disability retirement, a member of the Law Enforcement Officers' Pension System (LEOPS) must be totally and permanently incapacitated for duty arising out of, or in the course of, the actual performance of duty without willful negligence by the member. The same standard applies for State Police; however, the term "special disability" is used instead of "accidental disability."

ELIGIBILITY

To be eligible to apply for *ordinary disability* retirement, a member must have at least five years of eligibility service. There is no service requirement to apply for *accidental* or *special disability* retirement. Retirees are not eligible to apply for disability benefits.

FILING REQUIREMENTS

For members seeking disability retirement benefits, timely filing is essential. Members may file for disability benefits while on payroll or within a set period of time, depending on their system, after leaving payroll. An additional filing extension may be granted for members who can prove they were mentally or physical-

ly incapacitated from filing within the deadline due to the disability itself. The requirements to receive this filing extension are difficult to meet. The chart lists the various filing deadlines.

Applications for accidental disability retirement **must be filed within five years of the date of the accident.**

This filing deadline for accidental disability does not apply to the State Police, Correctional Officers', or Law Enforcement Officers' systems.

Members who believe they may be eligible for disability benefits should contact a retirement counselor immediately.



DISABILITY FILING DEADLINES

System	After leaving payroll	Additional filing extension (if applicable)
Teachers' Retirement	5 years	1 year
All other systems	4 years	2 years

Regional retirement counseling, seminars offered for members nearing retirement

IF YOU'RE PLANNING TO RETIRE IN 2007, you may want to take advantage of a personal retirement counseling session and/or a full day retirement seminar.

REGIONAL COUNSELING

Retirement benefits counselors from the State Retirement Agency travel throughout Maryland each year to help members prepare for retirement.

The regional counseling schedule for September, 2006, through June, 2007, will be posted on the State Retirement Agency Web site at www.sra.state.md.us this summer. If you prefer, you can obtain a schedule from your employer's personnel department.

After reviewing the new schedule, you may set an appointment with a counselor visiting your area by calling 410-625-5555 or toll free 1-800-492-5909.

RETIREMENT SEMINARS

The State Retirement Agency of Maryland's Pre-Retirement Seminar provides participants with a detailed explanation of the retirement process. Specially trained speakers at these events lead discussions on several topics of interest to members nearing retirement.

Seminar schedules and registration forms will be posted on the State Retirement Agency Web site at www.sra.state.md.us this summer. You can also obtain these forms, when they become available, from your employer's personnel office.

Know how to file for disability

FILING FOR DISABILITY RETIREMENT BENEFITS IS A TWO STEP PROCESS.

A member seeking disability benefits must

- 1) file a disability claim and then, if approved,
- 2) apply to actually retire.

STEP 1: FILE A DISABILITY CLAIM

A member filing for ordinary or accidental disability benefits must submit to the State Retirement Agency (SRA) the following forms and materials:

- *Statement of Disability* (Form 20),
- pertinent medical records,
- current job description signed by employer,
- *Preliminary Application for Disability Retirement* (Form 129), and
- *Application for an Estimate of Disability Retirement Allowances* (Form 21; Form 22 for State Police; Form 100 for LEOPS).

For State Police members, the Maryland State Police Medical Director also must submit a medical summary.

Members applying for accidental or special disability also must submit the following:

- employer's first report of injury,
- copies of Workers' Compensation awards and
- medical evidence directly connecting the accident as the cause of the disability

OR

- evidence that the disability arose out of, or in the course of, the performance of duty (Maryland State Police and LEOPS only).

Following a review by the Retirement Agency's Medical Board, the Board of Trustees takes final action on the claim and the applicant is notified. This process can take one to three months, or longer for complicated cases.

STEP 2: IF APPROVED, APPLY TO ACTUALLY RETIRE

If the claim is approved, the member will receive an estimate of his or her monthly disability retirement payment. To retire and begin collecting monthly benefits, the member must submit the following:

- *Application for Service or Disability Retirement* (Form 13-23; Form 14-24 for State Police; Form 98-101 for LEOPS),
- *Electronic Fund Transfer (Direct Deposit) Sign-Up* (Form 85),
- *Reemployment After Retirement* (Form 127; Form 128 for State Police; Form 131 for LEOPS) and
- *Federal and Maryland State Tax Withholding Request* (Form 766).

Retirement counselors at the State Retirement Agency are available to answer questions and guide members through the filing process. For more information, call 410-625-5555 or toll free 1-800-492-5909.

2006 Legislative Update

The 2006 Maryland General Assembly enacted several bills of special interest to members of the State Retirement and Pension System. At press time, each of the following bills had been signed by Governor Robert L. Ehrlich Jr. to become law except House Bill 1430. Signed bills become effective July 1, 2006, unless noted.

CHAPTER 277, ACTS OF 2006: STATE RETIREMENT AND PENSION SYSTEM – MILITARY SERVICE – MEMBERS AND FORMER MEMBERS

Synopsis: Permits eligible former members of the State Retirement and Pension System to apply for retirement credit for military service. Retirees are not eligible to apply for military credit.

Effective October 1, 2006, this legislation provides that military credit claimed and applied to the member's account before July 1, 1998, receives the benefit formula multiplier in effect at time of retirement. Members of the Contributory Pension System and the Alternate Contributory Pension Selection Plan considering retirement before October 1, 2006, with claimed military service prior to July 1998, should carefully review this legislation.

CHAPTER 340, ACTS OF 2006: CORRECTIONAL OFFICERS' RETIREMENT SYSTEM – MEMBERSHIP

Synopsis: Extends membership in the Correctional Officers' Retirement System to correctional dietary, maintenance and supply officers.

CHAPTERS 280/279, ACTS OF 2006: CORRECTIONAL OFFICERS' RETIREMENT SYSTEM – LINE OF DUTY DEATH BENEFITS

Synopsis: Provides a monthly survivor benefit for the spouse and/or children of a member of the Correctional Officers' Retirement System whose death arises out of or in the course of the actual performance of duty. The benefit is equal to two-thirds of the deceased member's annual compensation and is paid to the member's surviving spouse or, if there is no spouse, to the member's minor children. Also, any employee contributions with interest are paid to the designated beneficiary. Applies retroactively from January 1, 2006.

CHAPTER 392, ACTS OF 2006: CORRECTIONAL OFFICERS' RETIREMENT SYSTEM – REEMPLOYMENT OF RETIREES

Synopsis: Eliminates the earnings limit for service retirees of the Correctional Officers' Retirement System who are reemployed on a contractual basis for not more than four years as correctional officers in correctional facilities defined in §1-101 of the Correctional Services Article.

HOUSE BILL 1430: STATE RETIREMENT AND PENSION SYSTEM – ADMINISTRATION – SIMPLIFICATION

Synopsis:

- Requires retirees from the State Police Retirement System to have a break in service of at least 45 days before returning to work for any unit of

Maryland State government,

- Eliminates the earnings limit for service or vested retirees of the Correctional Officers' Retirement System, State Police Retirement System and Local Fire and Police System who have been retired for nine years. This nine-year period begins on January 1 after the date of retirement unless the member retired effective January 1,
- Eliminates the requirement that disability retirees submit annual medical and earnings information to the State Retirement Agency.

CHAPTER 258, ACTS OF 2006: CORRECTIONAL OFFICERS' RETIREMENT SYSTEM – MEMBERSHIP – LOCAL DETENTION CENTER OFFICERS

Synopsis: Extends membership in the Correctional Officers' Retirement System (CORS) to detention center officers who are employed by a participating governmental unit that elects to participate in CORS. Upon an employer's election to participate in CORS, detention center officers in active employment will have the option to join the system. Officers hired after the employer's election to participate in CORS will automatically become members of the system.

More bill summaries are available online at www.sra.state.md.us.

Your Board of Trustees continued from page 1 on the State Retirement Agency Web site at www.sra.state.md.us/srps_trustees.htm. The site also lists each Trustee's committee assignments and a schedule of the Board's meetings, which are open to the public.

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120 East Baltimore Street
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410-625-5555
1-800-492-5909
www.sra.state.md.us


EDITOR:
Benjamin Robb

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